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July 30, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M St., N.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service,
CC Docket No. 96-45

Dear Ms. Salas:

On Tuesday, July 28, 1998, Gene DeJordy, Executive Director of Regulatory Affairs, Western Wireless Corp.; Michele Farquhar, Ronnie London, and the undersigned of Hogan & Hartson, L.L.P., counsel for Western Wireless Corp.; and Dan Kelley and Dick Chandler of HAI made an *ex parte* presentation regarding the proceeding referred to above. Charles Keller, Mark Kennet, Jeffrey Prisbrey, and William Sharkey of the Commission's Staff, and Mr. DeJordy and Ms. Farquhar participated in the presentation in person in Seattle, Washington; the other participants took part by telephone conference call.

During the conversation, the Western Wireless and HAI representatives described the wireless cost model that HAI is developing, and that Western Wireless is planning to submit for the record in this proceeding within the next few weeks. The HAI representatives explained that the model examines the cost of providing universal service using analog cellular technology. The model projects costs based on cellular systems engineered for 1% blocking (instead of the 2%-5% that is typical in mobile systems), and assumes the same amount of usage as in the HAI wireline cost model -- 3.6 ccs per busy hour per subscriber. It uses the same geographic cluster data as the HAI 5.01a model. The number of cell sites per cluster depends on the geographic density and traffic projected for the cluster. The model takes into account the cost of a Telular customer premise equipment unit that converts AMPS cellular signals to be compatible with most landline telephone equipment, and that can accommodate modem speeds of up to 14,400 bps.

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Because the model is based on the cellular environment, in which spectrum was assigned without charge based on comparative hearings, the model does not factor in the cost of spectrum. It should be noted that, in the low-density areas that are most likely to receive universal service support, there is ample analog cellular spectrum available to accommodate additional usage. Results can be generated separately for rural telephone company service areas and for other geographic areas.

Because the presentation took place late in the day on Tue. July 28 in Seattle, and Ms. Farquhar was in transit from Seattle back to Washington, D.C. on Wed. July 29, this *ex parte* notice is being filed today, the next practicable business day. If you have any questions, please contact me.

Respectfully submitted,



David L. Sieradzki
Counsel for Western Wireless Corp.

Enclosures

cc: Charles Keller
Mark Kennet
Jeffrey Prisbrey
William Sharkey